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Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

June 9, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROPRIATION ADJUSTMENT TO THE DEPARTMENT
OF HEALTH SERVICES' FISCAL YEAR 2004-05 BUDGET**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached Request for Appropriation Adjustment to the Department of Health Services' Fiscal Year 2004-05 Adopted Budget to reflect various refinements in Health Services Administration's operating plan.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving the recommended action, the Board is increasing Health Services Administration's (HSA) Fixed Asset (F/A) Equipment appropriation, funded by a reduction in the Services & Supplies (S&S) appropriation, to align funding levels to more accurately reflect the estimated actual operational costs for Fiscal Year (FY) 2004-05.

This appropriation adjustment realigns \$10.3 million of HSA's FY 2004-05 Adopted Budget S&S appropriation to F/A Equipment for the procurement of equipment to support the Department's system-wide move towards greater automation in the areas of pharmacy and radiology. Internal Services Department (ISD)/Purchasing has determined that this equipment should be classified as F/A Equipment. Accordingly, HSA's appropriation adjustment transfers existing S&S appropriation to the proper F/A Equipment budgetary category.

The Honorable Board of Supervisors

June 9, 2005

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Included in the Department's requested appropriation realignment of S&S to F/A Equipment is \$6.1 million attributable to equipment procurement to support the automation of dispensing outpatient pharmaceuticals. Equipment related to inpatient pharmacy automation has already been purchased utilizing existing F/A Equipment appropriation. Automation of pharmacy dispensing will support efforts to decrease the risk of medication errors, reduce patient waiting times, improve patient access to medication counseling, and increase pharmacy cost effectiveness and productivity.

Equipment to support the Department's efforts to migrate Radiology from traditional film-based x-rays to digital imaging is supported by this requested action and represents \$1.4 million of this action. The total acquisition cost of the Picture Archive and Communications System (PACS) is \$2.5 million and is necessary to expand the current digital acquisition and distribution of radiological images that exists at LAC+USC and Harbor-UCLA Medical Centers and to include Olive View-UCLA Medical Center, Rancho Los Amigos National Rehabilitation Center, and High Desert Health System. The purchase of PACS technology will increase image availability, reduce costs associated with printing x-ray film, and reduce turnaround time for image interpretation by radiologists.

The Storage Area Network (SAN) expansion, necessary to support the increased centralized data storage required by the increasing number of clinical systems used to facilitate server and disk consolidation activities, and to simplify compliance with Federal Health Insurance Portability and Accountability Act (HIPAA) regulations on disaster recovery and business continuity, represents \$2.8 million of this action.

This request is consistent with the Department's strategic goals to improve the quality and efficiency of health care, and to simplify and automate processes.

FISCAL IMPACT/FINANCING:

The attached appropriation adjustment increases HSA's F/A Equipment appropriation by \$10.3 million, offset by an \$10.3 million reduction in S&S, to reflect estimated actual operational costs in FY 2004-05. This appropriation adjustment does not increase net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The requested action appropriately aligns funding from S&S to F/A Equipment to purchase equipment for pharmacy and radiology. Equipment purchases under the \$250,000 unit cost requirement do not require Board approval prior to submitting requisitions to ISD/Purchasing. HSA will follow the required ISD procedures to acquire the equipment. Attachment A provides additional details.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Not applicable.

The Honorable Board of Supervisors
June 9, 2005
Page 3

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:mfm

Attachments (2)

- c. Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

BDLET0405BudgetAdjustISB.lm.wpd

LOS ANGELES COUNTY-DEPARTMENT OF HEALTH SERVICE
FIXED ASSETS - EQUIPMENT DETAIL PROJECTION
FISCAL YEAR 2004-05

ATTACHMENT A

BUDGET UNIT: HSA Fund Org # 20000 Fund A01

ITEM #	A or R	QUANTITY	ESTIMATED COST	EQUIPMENT DESCRIPTION	JUSTIFICATION
<u>Enterprise Project Management - # 20217</u>					
<u>Pharmacy Automation Purchase</u>					
28	R	8	1,500,345	McKesson Pharmacy 2000	To automate the existing high-volume outpatient pharmacies at H/UCLA, Long Beach CHC, Olive View MC & Valley Care Outpatient Pharmacies, High Desert Health System & Rancho Los Amigos Rehab Ctr to reduce patient waiting times, increase patient compliance, increase ability to meet legal mandates for patient counseling, and increase the pharmacist control of the quality and cost effectiveness of medications prescribed.
R	17		230,031	Additional Imaging Stations	" "
R	15		161,563	Additional Filling Stations	" "
R	20		215,418	Additional Checking Stations	" "
R	4		64,950	Server Upgrade	" "
R	61		819,100	Accumed Cabinets	" "
R	1		17,706	Central Console	" "
R	3		100,459	Pyxix Station Rx Main	" "
R	3		23,924	Single Column Auxiliary Unit	" "
R	2		63,079	MedStation 3000 Profile Console	" "
R	50		1,982,932	MedStation 3000 Profile 6 Drawer	" "
R	23		598,025	MedStation 3000 Profile 2 Drawer	" "
R	5		158,116	MedStation 3000 7 Drawer Auxiliary	" "
R	1		17,925	MedStation 3000 Non-Profile Console	" "
R	5		27,624	Cubie Replenishing Station	" "
R	2		111,885	PARx Medium	" "
* \$6,093,082		Total Pharmacy Automation Purchase			

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICE
FIXED ASSETS - EQUIPMENT DETAIL PROJECTION
FISCAL YEAR 2004-05

ATTACHMENT A

BUDGET UNIT: HSA Fund Org # 20000 Fund A01

<u>ITEM #</u>	<u>A or R</u>	<u>QUANTITY</u>	<u>ESTIMATED COST</u>	<u>EQUIPMENT DESCRIPTION</u>	<u>JUSTIFICATION</u>
<u>PACS</u>	A	11	719,484	Hardware/Server Components - Fuji Digital SYNAPSE-Olive View Medical Center	To expand the Fuji Medical Systems - Picture Archive and Communications System (PACS) and digital X-ray acquisition devices currently in place at the LAC+USC Medical Center and to meet the needs of Olive View Medical Center, Rancho Los Amigos Rehab Center, High Desert Healthcare System and their respective comprehensive health centers.
	A	11	253,628	Display Kits & PC Accessories - Fuji Digital SYNAPSE - Olive View Medical Center	" "
	A	11	86,149	DICOM Interface Units - Fuji Digital SYNAPSE - Olive View Medical Center	" "
	A	7	242,822	Storage Components - Fuji Digital SYNAPSE - Olive View Medical Center	" "
	A	1	248,975	Fuji Single Step to Digital SYNAPSE - High Desert MC	" "
	A	1	248,975	Fuji Single Step to Digital SYNAPSE - Rancho Los Amigos National Rehab Center	" "
	A	3	492,768	XG-5000 high capacity cassette reader	" "
	A	1	51,430	MTS-Delft Diagnostic PACS Workstation	" "
	A	1	47,511	Dell PowerVault 220S	" "
	A	2	83,400	IMPAX - DS3000 Workstation	" "
* *			\$2,475,142	Total PACS	
			\$13,239.881	TOTAL ISB	

* Included in the Budget Adjustment Board Letter.

**LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICE
FIXED ASSETS - EQUIPMENT DETAIL PROJECTION
FISCAL YEAR 2004-05**

ATTACHMENT A

BUDGET UNIT: HSA Fund Org # 20000 Fund A01

<u>ITEM #</u>	<u>A or R</u>	<u>QUANTITY</u>	<u>ESTIMATED COST</u>	<u>EQUIPMENT DESCRIPTION</u>	<u>JUSTIFICATION</u>
EMERGENCY MEDICAL SERVICES (EMS)					
HOMELAND SECURITY GRANT					
1	A	2	12,983	Notebook computers	To support field operations when responding to terrorist or other emergency events.
2	A	1	13,526	LifePak 12 monitor.	To enhance capabilities to monitor patients in clinical situations.
3	A	1	14,300	Weather monitoring system.	To monitor of temperature, wind speed, wind direction and barometric pressure .
4	A	1	19,057	Equipment Trailers	To provide storage and support for Mobile Command Centers.
5	A	1	31,084	Portable generator	To operate search and rescue equipment, light sets, water pumps for decontamination sets.
6	A	2	36,264	Portable microscope	To detect the presence of bacterial agents in possible terrorist incidents.
7	A	1	43,300	Towing vehicle	To support field operations when responding to terrorist or other emergency events.
8	A	1	50,750	HazMat system	To detect the presence of hazardous materials in possible terrorist and emergency incidents.
9	A	14	1,061,931	Vehicles and trailers	Vehicles and trailers will be used by disaster team to provide crucial medical care at disaster sites.
10	A	10	115,016	Portable radiation monitors	To support field operations when responding to terrorist or other emergency events.
11	A	1	146,982	Mobile emergency control center	To support field operations when responding to terrorist or other emergency events.
12	A	19	427,715	Security screening systems	To enhance security measures at the various County hospitals.
13	A	Various	33,670	Xerox	To support field operations when responding to terrorist or other emergency events.
\$ 2,006,576					TOTAL HOMELAND SECURITY GRANT

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICE
FIXED ASSETS - EQUIPMENT DETAIL PROJECTION
FISCAL YEAR 2004-05

ATTACHMENT A

BUDGET UNIT: HSA Fund Org # 20000 Fund A01

ITEM #	A or R	QUANTITY	ESTIMATED COST	EQUIPMENT DESCRIPTION	JUSTIFICATION
HRSA GRANT					
1	A	1	7,253	Tape autoloader	
2	A	1	35,452	DMR learning module	
3	A	2	89,160	ECS emergency care simulator	
4	A	14	62,541	Computers	
5	A	4	463,310	Decontamination trailers	
			\$ 657,716	TOTAL HRSA GRANT	
OTHERS EMS					
1	A	1	6,507	Flatbed scanner	To digitize files for better record retention and retrieval.
2	A	1	160,848	Mobile command post	To support field operations when responding to terrorist or other emergency events; provides support to County hospitals.
3	A	1	50,000	Security ID system	To enhance security measures at the various County hospitals.
			\$ 217,355	TOTAL OTHERS	
			\$ 2,881,647	EMS TOTAL	

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICE
FIXED ASSETS - EQUIPMENT DETAIL PROJECTION
FISCAL YEAR 2004-05

ATTACHMENT A

BUDGET UNIT: HSA Fund Org # 20000 Fund A01

<u>ITEM #</u>	<u>A or R</u>	<u>QUANTITY</u>	<u>ESTIMATED COST</u>	<u>EQUIPMENT DESCRIPTION</u>	<u>JUSTIFICATION</u>
OTHERS					
1	A	4	261,965	Canon CF-60DSI 60/40 Degree Mydriatic Retinal Camera	These cameras are necessary for screening diabetic patients for retinopathy at the following comprehensive health centers: Roybal, Hudson, Mid-Valley, and Long Beach
2	R	5	106,686	Boiler Systems, Lochinvar Model #CHN1441M7M9	New Boilers are required at 5555 Ferguson to meet the new ADMD Rule 1146.2. The Dept is currently out of compliance and will be fine as of 01/01/05.
3	A	1	11,432	Printer/Encoder W/Card Lamination Module FARGO DTC525-LC	DHS Human Resources is purchasing a Photo Printer with Lamination for Olive View MC to provide high quality professional Identification badges. Currently Olive View has an outdated, absolute system.
4	R	12	82,296	Advanta Beds w/Scales	Replace beds (at Harbor -UCLA) in stepdown units with those with scales to improve patient care. Funded by Quality Improvement Program in HSA.
5	R	4	40,204	CO-2 Monitor	Replace obsolete monitors. Funded by Quality Improvement Program in HSA.
6	R	1	12,310	Power Edge 2650 Database Server	New Database server for the ATEMM Project, it has better features, performance and security to the existing system.
7			122,917	Other - Various	
			\$637,810	OTHERS TOTAL	
			\$16,759,338	TOTAL HSA	

* Included in the Budget Adjustment Board Letter.

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT
DEPARTMENT OF Health Services

DEPT'S.
No.

June 8, 19 2005

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

(3-VOTE)
FY 04-05

SOURCES:

Health Services Administration
Services & Supplies
A01-HS-20000-2000 \$10,300,000

TOTAL: \$10,300,000

USES:

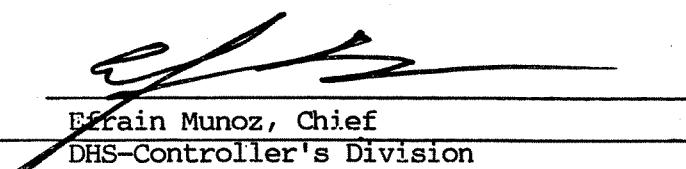
Health Services Administration
Fixed Asset
A01-HS-20000-6030 \$10,300,000

TOTAL: \$10,300,000

Justification:

This appropriation adjustment is required to shift appropriation from Services and Supplies (S&S) to Fixed Asset for the anticipated costs of DHS-wide Pharmacy Outpatient System \$6.1M, Storage Area Network (SAN) Solutions \$2.8M, and Picture Archive and Communications Systems (PACS) for Radiology Services \$1.4M. This adjustment does not increase Net County Cost.

EM:dw
06/08/05


Efrain Munoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR

ACTION

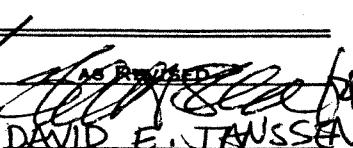


RECOMMENDATION

APPROVED AS REQUESTED

JUNE 8, 2005

AS REVISED


DAVID E. JANSEN
CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER BY Heather

No. 369

JUNE 8 2005

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

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BY

DEPUTY COUNTY CLERK